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١٨/١٥٠٧

التاريخ: ٢٠١٨/٧/٣١

السادة هيئة الأوراق المالية المحترمين  
عمان - الأردن

تحية طيبة وبعد ،

نرفق لكم بطيه القوائم المالية المرحلية الموجزة للسنة اشهر المنتهية في ٢٠١٨/٦/٣٠ المراجعة من قبل مدقق حسابات الشركة السادة ديلويت أند توش.

واقبلوا فائق الاحترام ،،،،

  
مالك رومانوس

مساعد المدير العام للشؤون المالية والإدارية

هيئة الأوراق المالية الدائرة الادارية / الديوان
٣١ شتوز ٢٠١٨
الرقم التسلسل ٤٧٨٦٤
الجهة المختصة ١/١٩

DELTA INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – JORDAN

CONDENSED INTERIM  
FINANCIAL STATEMENTS FOR  
THE SIX-MONTH PERIOD ENDED  
JUNE 30, 2018  
TOGETHER WITH THE REVIEW REPORT

DELTA INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – JORDAN  
JUNE 30, 2018

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## Review Report

AM/ 32930

To the Chairman and Members of the Board of Directors  
Delta Insurance Company  
(A Public Shareholding Limited Company)  
Amman – Jordan

### **Introduction**

We have reviewed the accompanying condensed interim statement of financial position of Delta Insurance Company (A Public Shareholding Limited Company), as of June 30, 2018 and the related condensed interim statements of income and comprehensive income, changes in Shareholders' equity, and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Company". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that the accompanying condensed interim financial statements are not prepared in accordance with International Accounting Standard No. (34) related to Interim Financial Reporting.

### **Other Matters**

The accompanying financial statements are a translation of the original financial statements which are in the Arabic language, to which reference should be made.

The Company's financial year ends on December 31 of each year. However, the condensed interim financial information has been prepared for the purposes of management, Companies Control Department, Insurance Management and Jordan Securities Commission purposes only.

Amman - Jordan  
July 31, 2018

**Deloitte & Touche (M.E.)**  
ديلويت اند توش (م.ع.) - الأردن  
010103

DELTA INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN  
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

	Note	June 30, 2018 (Reviewed not Audited)	December 31, 2017
<u>ASSETS</u>		JD	JD
Deposits at banks	4	9,814,734	9,652,275
Financial assets at fair value through other comprehensive income	5	917,019	773,297
Financial assets at amortized cost	6	3,556,152	3,556,152
Investment property	7	2,623,803	2,623,803
Total Investments		16,911,708	16,605,527
Cash on hand and at banks		126,156	578,231
Cheques under collection		424,524	434,323
Receivables - net	8	2,461,552	2,424,724
Re-insurers' receivables - net	9	388,892	441,034
Deferred tax assets	14/B	345,618	351,433
Property and equipment - net	10	3,009,761	3,060,579
Intangible assets - net		9,366	10,454
Other assets	11	307,536	355,220
TOTAL ASSETS		23,985,113	24,261,525
<u>LIABILITIES AND SHAREHOLDERS' EQUITY</u>			
<u>LIABILITIES</u>			
Unearned premiums reserve - net		4,162,589	4,159,823
Outstanding claims reserve - net		6,014,212	6,638,811
Mathematical reserve - net		144,824	92,475
Total Insurance Contracts' Liabilities		10,321,625	10,891,109
Payables	12	910,228	1,130,049
Re-insurer's payables	13	1,113,139	956,823
End-of service indemnity provision		297,724	312,160
Other liabilities	15	1,847,928	1,485,000
TOTAL LIABILITIES		14,490,644	14,775,141
<u>SHAREHOLDERS' EQUITY</u>			
Authorized and paid-up capital		8,000,000	8,000,000
Statutory reserve		1,569,090	1,569,090
Voluntary reserve		15,948	15,948
Financial assets valuation reserve		(227,256)	(327,433)
Retained earnings		228,779	228,779
(Loss) for the period		(92,092)	-
Total Shareholders' Equity		9,494,469	9,486,384
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		23,985,113	24,261,525

Chairman of the Board of Directors

General Manager

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF  
THESE CONDENSED INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM  
AND WITH THE REVIEW REPORT.



DELTA INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN  
CONDENSED INTERIM STATEMENT OF INCOME  
(REVIEWED NOT AUDITED)

	Note	For the Three-Month Period		For the Six-Month Period	
		Ended June 30,		Ended June 30,	
		2018	2017	2018	2017
		JD	JD	JD	JD
Revenue:					
Gross written premiums - general insurance		3,156,117	2,887,859	6,289,302	5,514,806
Gross written premiums - life insurance		164,149	18,303	288,568	41,248
Less: Re-insurers' share general insurance		820,648	718,039	1,873,398	1,544,364
Less: Re-insurers' share life insurance		67,289	5,440	79,856	13,936
Net Written Premiums		2,432,329	2,182,683	4,624,616	3,997,754
Net change in unearned premiums reserve		(109,952)	(21,968)	(2,766)	383,259
Net change in mathematical reserve		(32,240)	6,264	(52,349)	10,532
Net Earned Written Premiums		2,290,137	2,166,979	4,569,501	4,391,545
Commissions' revenue		138,798	186,629	379,052	404,898
Policy issuance fees		83,550	81,343	158,917	155,704
Interest revenue		188,003	156,165	375,839	313,684
Dividends income on financial assets at fair value					
through Other Comprehensive Income		20,360	16,775	20,360	16,775
Other revenue - net		(4)	6,245	(5,740)	6,245
Total Revenue		2,720,844	2,614,136	5,497,929	5,288,851
Claims, Losses and Expenses:					
Paid claims		2,964,578	2,973,021	6,296,440	5,980,466
Less: Recoveries		613,702	363,365	1,054,557	706,062
Re-insurers' share		296,027	585,085	726,044	1,086,251
Net Paid Claims		2,054,849	2,024,571	4,515,839	4,188,153
Net change in claims reserve		(53,891)	(291,976)	(624,599)	(419,450)
Allocated employees' expenses		302,078	319,898	546,606	565,619
Allocated general and administrative expenses		173,781	101,560	369,881	226,809
Excess of loss premiums		-	-	93,174	93,041
Policy acquisition cost		149,410	107,028	299,916	219,677
Other expenses related to underwriting		56,059	28,505	121,210	112,508
Net Claims Costs		2,682,286	2,289,586	5,322,027	4,986,357
Unallocated employees' expenses		75,519	79,973	136,651	141,403
Depreciation and amortization		22,937	24,387	54,488	65,461
Unallocated general and administrative expenses		32,362	34,148	63,131	56,702
Provision for end-of-service indemnity		2,638	5,989	7,909	11,743
Total Expenses		133,456	144,497	262,179	275,309
(loss) Profit for the Period before Tax		(94,898)	180,053	(86,277)	27,185
(Loss) income tax expense (surpluses) for the period	14/A	(10,331)	1,012	(5,815)	901
(Loss) Profit for the Period		(105,229)	181,065	(92,092)	28,086
(Loss) Earnings per Share for the Period	16	(0/013)	0/023	(0,012)	0/004

Chairman of the Board of Directors

General Manager

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DELTA INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF OTHER COMPREHENSIVE INCOME

(REVIEWED NOT AUDITED)

	For the Six-Month	
	Period Ended June 30,	
	2018	2017
	JD	JD
Net (loss) profit for the period	(92,092)	28,086
Items will not be reclassified subsequently to the interim condensed statement of income:		
Net change in financial assets valuation reserve	100,177	(222,830)
Gains from sale of financial assets at fair value through other comprehensive income	-	78,347
Total Comprehensive Income / (Loss) for the Period	8,085	(116,397)

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INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM  
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**DELTA INSURANCE COMPANY**  
**(A PUBLIC SHAREHOLDING LIMITED COMPANY)**

AMMAN - JORDAN

**CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY**  
**(REVIEWED NOT AUDITED)**

	Authorized Paid-up Capital	Statutory Reserve	Voluntary Reserve	Financial Assets Valuation Reserve	Retained Earnings	(loss) Profit for the Period	Total
	JD	JD	JD	JD	JD	JD	JD
<b>For the Six - Month Period Ended June 30, 2018</b>							
Balance - beginning of the period	8,000,000	1,569,090	15,948	(327,433)	228,779	-	9,486,384
(Loss) for the period	-	-	-	-	-	(92,092)	(92,092)
Net change in financial assets valuation reserve	-	-	-	100,177	-	-	100,177
Total Comprehensive (loss)	-	-	-	100,177	-	(92,092)	8,085
Balance - End of the Period	8,000,000	1,569,090	15,948	(227,256)	228,779	(92,092)	9,494,469
<b>For the Six Month Period Ended June 30, 2017</b>							
Balance - beginning of the period	8,000,000	1,569,090	15,948	(73,005)	1,108,062	-	10,620,095
Profit for the period	-	-	-	-	-	28,086	28,086
Gain on sale of financial assets at fair value through other comprehensive income	-	-	-	-	78,347	-	78,347
Net change in financial assets valuation reserve	-	-	-	(222,830)	-	-	(222,830)
Total Comprehensive Income	-	-	-	(222,830)	78,347	28,086	(116,397)
Dividends **	-	-	-	-	(640,000)	-	(640,000)
Balance - End of the Period	8,000,000	1,569,090	15,948	(295,835)	546,409	28,086	9,863,698

\* Retained earnings and profit for the period include an amount of JD 345,618 that is restricted against deferred tax assets as of June 30, 2018, which cannot be utilized through capitalization or distribution unless actually realized (JD 351,433 as of December 31, 2017).

- An amount equivalent to the negative financial assets valuation reserve, which amounted to JD 227,256 is restricted from the retained earnings according to Jordan Securities Commission instructions.

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL STATEMENTS  
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DELTA INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN  
CONDENSED INTERIM STATEMENT OF CASH FLOWS  
(REVIEWED NOT AUDITED)

		For the Six-Month Period Ended June 30,	
	Note	2018	2017
CASH FLOWS FROM OPERATING ACTIVITIES:		JD	JD
(Loss) / profit for the period before tax		(86,277)	27,185
Adjustments for Non Cash items:			
Depreciation and amortization		63,131	56,702
Loss (gain) from sale property and equipment		162	(6,250)
Net change in unearned premiums reserve		2,766	(383,259)
Net change in mathematical reserve		52,349	(10,532)
Net change in outstanding claims reserve		(624,599)	(419,450)
End of service indemnity provision		7,909	11,743
Net cash flows (used in) Operating Activities before Changes in Working Capital		(584,559)	(723,861)
Decrease in cheques under collection		9,799	186,054
(increase) decrease in receivables		(36,828)	483,267
Decrease in re-Insurers' receivables		52,142	539,936
Decrease in other assets		97,140	114,905
(Decrease) in accounts payable		(219,821)	(87,724)
Increase (decrease) in re-Insurance payable		156,316	(414,761)
Increase in other liabilities		362,928	329,686
Net Cash Flows (used in) from Operating Activities before Income Tax and End of Service-Indemnity paid		(162,883)	427,502
End of service-indemnity paid		(22,345)	-
Income tax paid	14/A	(49,456)	(110,235)
Net Cash Flows (used in) from Operating Activities		(234,684)	317,267
CASH FLOWS FROM INVESTING ACTIVITIES:			
Deposits at banks		(446)	(7,674,418)
(Purchase) of property and equipment		(11,587)	(45,664)
Proceeds of sale of property and equipment		200	6,250
(Purchase) of financial assets at fair value through comprehensive income		(43,545)	(145,355)
Proceeds of sale of financial assets through comprehensive income		-	426,639
(Purchase) of financial assets at amortized cost		-	(1,000,000)
Net Cash Flows (used in) Investing Activities		(55,378)	(8,432,548)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Dividends		-	(640,000)
Net Cash Flows (used in) Financing Activities		-	(640,000)
Net (Decrease) in Cash and Cash Equivalent		(290,062)	(8,755,281)
Cash and cash equivalent - beginning of the period		5,346,449	11,112,271
Cash and Cash Equivalent - End of the Period	17	5,056,387	2,356,990

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FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

DELTA INSURANCE COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF UNDERWRITING REVENUE FOR THE GENERAL INSURANCE ACTIVITIES

(REVIEWED, NOT AUDITED)

	Motor		Marine and Transportation		Fire and Other Damages to Properties		Responsibility		Medical		Others		Credit		Total	
	For the Six Month Period Ended June 30,		For the Six Month Period Ended June 30,		For the Six Month Period Ended June 30,		For the Six Month Period Ended June 30,		For the Six Month Period Ended June 30,		For the Six Month Period Ended June 30,		For the Six Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018
Written premiums:																
Direct business	3,840,201	3,416,059	195,643	195,600	592,802	427,490	139,980	126,262	816,419	734,934	50,370	37,950	33,703	56,842	5,668,810	4,996,045
Re-insurers' inward business	437,027	360,705	555	705	181,244	156,009	758	662	-	-	-	-	-	-	650,404	518,761
Gross Premiums	4,278,828	3,777,644	196,198	196,305	774,046	584,099	139,738	127,024	816,419	734,934	50,370	37,950	33,703	56,842	6,209,302	5,514,806
Less: Local re-insurers' share	360,785	302,066	-	-	7,039	10,106	-	2,650	-	-	1,889	(1,679)	-	-	369,713	313,143
Foreign re-insurers' share	7,800	7,800	142,299	141,042	712,179	506,955	92,895	87,976	478,607	407,981	30,045	35,334	26,120	44,053	1,503,685	1,231,271
Net Earned Premiums	3,910,163	3,467,698	53,279	55,263	49,828	67,038	46,843	36,398	337,812	326,953	10,436	4,303	7,583	12,789	4,415,904	3,970,442
Add: Unearned premiums reserve - beginning of the period	4,005,901	4,533,751	148,196	129,832	1,214,782	1,251,233	74,029	66,075	214,046	256,025	39,514	43,036	305,478	385,579	6,001,946	6,646,131
Less: Re-insurers share - beginning of the period	172,250	237,251	93,395	83,832	1,173,553	1,209,110	43,514	34,120	79,705	125,182	37,861	41,300	241,845	291,338	1,842,123	2,022,530
Net unearned premiums reserve - beginning of the period	3,033,651	4,296,400	54,801	46,000	41,270	43,123	30,415	32,255	134,341	130,833	1,652	1,736	63,633	74,251	4,159,023	4,623,508
Add: Net premiums deficiency reserve - beginning of the period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less: Unearned premiums reserve - end of the period	4,054,480	3,956,513	94,431	99,600	893,182	751,756	107,788	94,100	205,864	517,302	40,463	36,471	269,971	330,150	5,666,279	5,794,892
Re-insurers' share - end of the period	170,027	174,159	65,368	71,620	847,391	708,001	68,073	63,358	104,902	232,779	34,253	35,159	213,026	269,437	1,503,686	1,554,553
Net Unearned Premiums Reserve - End of the period	3,084,453	3,782,314	29,063	27,980	45,791	43,755	39,115	30,747	101,062	784,583	6,210	1,312	56,895	69,213	4,162,509	4,240,379
Less: Net premiums deficiency reserve - End of period	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Revenue from the Underwritten Premiums	3,859,361	3,085,704	78,977	73,283	45,266	65,406	30,243	37,011	771,091	173,263	5,079	4,727	14,331	17,327	4,413,130	4,353,701

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL CONDENSED INTERIM STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE REVIEW REPORT.

**DELTA INSURANCE COMPANY**  
**(A PUBLIC SHAREHOLDING LIMITED COMPANY)**  
**AMMAN - JORDAN**

**CONDENSED INTERIM STATEMENT OF PAID CLAIMS COST FOR THE GENERAL INSURANCE ACTIVITIES**

(REVIEWED NOT AUDITED)

	Motor		Marine and Transportation		Fire and Other Damages to Properties		Responsibility		Medical		Others		Credit		Total	
	For the Six Month Period Ended June 30,		For the Six Month Period Ended June 30,		For the Six Month Period Ended June 30,		For the Six Month Period Ended June 30,		For the Six Month Period Ended June 30,		For the Six Month Period Ended June 30,		For the Six Month Period Ended June 30,		For the Six Month Period Ended June 30,	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Paid claims	4,519,545	4,201,990	74,298	294,657	126,702	49,309	11,687	168,552	858,294	735,841	9,060	9,366	539,989	590,950	6,296,440	5,973,000
Less: Recoveries	481,217	456,737	304,433	13,957	15,486	11,924	650	2,400	-	-	1,550	1,800	251,221	219,244	1,054,557	706,062
Local re-insurers' share	1,908	9,300	-	-	1,025	12	-	-	-	-	-	-	-	-	3,013	9,312
Foreign re-insurers' share	7,349	70,523	(165,936)	221,492	94,828	34,720	83,093	405	472,450	450,370	6,729	6,803	224,488	207,293	723,031	1,021,606
Net Paid Claims	4,028,991	3,745,430	(64,199)	59,208	15,363	2,653	84,809	8,882	385,844	285,471	751	763	64,280	84,413	4,515,039	4,186,820
Add: Outstanding Claims Reserve - End of the period - Reported	6,346,508	6,149,935	118,292	87,691	422,311	493,208	146,171	229,270	160,917	182,232	-	-	888,075	1,393,463	8,091,074	8,534,799
Outstanding Claims Reserve - End of the period - Unreported	975,000	945,896	3,000	3,000	1,500	1,500	7,000	7,000	67,222	10,171	200	200	5,000	5,000	1,050,922	972,767
Less: Re-insurers share -Reported-end of the period	1,028,174	1,126,237	90,595	71,893	376,225	431,345	65,960	120,304	90,634	101,988	-	-	696,708	1,005,436	2,340,376	2,937,203
Re-insurers share -Unreported	-	-	-	-	-	-	-	-	43,091	5,664	180	180	4,000	4,000	47,271	9,844
Recoveries	624,839	529,127	15,868	7,038	-	-	-	-	17,923	50,000	-	-	93,803	139,642	752,433	725,797
Net Claims Reserve - Ending of the Period	5,668,495	5,440,467	14,829	11,720	47,586	63,363	82,211	115,966	84,491	34,751	20	20	99,284	160,305	6,001,916	5,834,222
Less:Reported Outstanding Claims Reserve - Ending of the period	6,832,904	6,444,378	73,052	297,459	413,768	451,760	234,857	234,320	142,942	155,313	-	3,600	1,118,278	1,242,101	8,015,001	8,028,941
Unreported Outstanding Claims Reserve - Ending of the period	1,000,000	945,896	3,000	3,000	1,500	1,500	7,000	7,000	10,042	20,318	200	200	5,000	5,000	1,034,742	982,914
Less: Reported Re-insurers' share - Beginning of the Period	1,166,854	1,121,736	58,194	233,380	359,111	399,503	120,705	120,509	71,834	100,953	-	3,240	874,433	970,889	2,651,131	2,950,110
Unreported Re-insurers' share - Ending of the Period	-	-	-	-	-	-	-	-	9,115	13,307	180	180	4,000	4,000	13,295	17,307
Recoveries	432,695	456,929	7,305	-	-	-	-	-	-	-	-	-	118,151	132,121	559,141	589,120
Net Outstanding Claims Reserve - Beginning of the period	6,233,265	5,323,642	10,553	64,179	56,157	52,257	121,152	113,831	80,035	54,360	20	360	126,004	139,041	6,627,076	5,746,660
Net Paid Claims Cost	3,464,121	3,374,318	(59,023)	3,799	6,792	12,549	59,868	4,037	300,300	250,751	751	401	36,070	113,757	3,889,779	3,766,314

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL CONDENSED INTERIM STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE REVIEW REPORT.



DELTA INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF UNDERWRITING PROFIT (LOSS) FOR THE GENERAL INSURANCE ACTIVITIES

(REVIEWED NOT AUDITED)

	Motor		Marine and Transportation		Fire and Other Damages to Properties		Responsibility		Medical		Others		Credit		Total	
	For the Six Month Period Ended June 30,	2018	2017	For the Six Month Period Ended June 30,	2018	2017	For the Six Month Period Ended June 30,	2018	2017	For the Six Month Period Ended June 30,	2018	2017	For the Six Month Period Ended June 30,	2018	2017	For the Six Month Period Ended June 30,
Net earned revenue from written premiums	JD	3,859,361	3,981,784	78,977	73,283	45,266	65,406	38,243	37,911	371,091	173,263	5,879	4,727	14,321	17,327	4,413,138
Less: Net paid claims cost		3,464,121	3,374,318	(59,623)	3,799	6,792	12,259	59,868	4,027	390,300	258,751	751	403	36,870	112,757	3,889,779
		395,240	607,466	138,900	69,484	38,474	53,147	(12,625)	33,884	(19,209)	(85,488)	5,128	4,324	(22,549)	(95,430)	523,359
Add: Commissions received		881	1,031	47,393	47,376	110,265	143,110	12,673	11,610	203,635	1,970,073	1,571	291	2,612	4,405	379,030
Insurance policies issuance fees		82,158	83,430	3,818	3,893	8,107	8,625	1,314	1,068	34,508	30,332	19,641	18,940	6,005	7,372	155,551
Investment revenue related to underwriting accounts		-	(5,573)	-	-	-	(40)	-	-	-	-	35	-	-	-	(5,573)
Total Revenues		83,039	84,461	45,638	51,269	118,372	151,695	13,987	13,678	238,143	227,405	21,212	19,266	9,617	11,777	559,008
Less: Commissions paid		173,134	128,944	2,770	3,580	44,700	42,964	4,900	3,653	44,537	37,281	1,523	848	-	-	271,564
Excess of loss premiums		64,401	63,713	3,625	3,500	25,148	25,828	-	-	-	-	-	-	-	-	93,174
Administrative expenses related to underwriting accounts		497,335	538,783	22,804	27,998	89,969	83,307	16,242	18,117	94,894	104,819	5,855	5,414	3,917	8,107	731,016
Mandatory reserves interest		-	-	922	1,042	4,168	4,390	-	-	2,489	3,761	234	178	-	-	7,813
Other Expenses		47,574	67,154	-	-	-	-	-	-	65,823	35,983	-	-	-	-	113,397
Total Expenses		702,444	798,594	30,121	36,120	163,985	156,489	21,142	21,769	207,743	181,844	7,612	6,440	3,917	8,107	1,216,964
Net Underwriting (loss) Profit		(304,165)	(106,667)	154,417	84,633	(7,139)	48,353	(19,780)	24,793	11,191	(39,928)	18,228	17,150	(17,849)	(91,760)	(164,597)

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL CONDENSED INTERIM STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE REVIEW REPORT.



DELTA INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN  
CONDENSED INTERIM STATEMENT OF UNDERWRITING  
REVENUES FOR THE LIFE INSURANCE ACTIVITIES  
(REVIEWED NOT AUDITED)

	For the Six Month Period Ended June 30,	
	2018	2017
	JD	JD
Written Premiums:		
Direct business	288,568	41,248
Gross Written Premiums	288,568	41,248
<u>Less:</u> Foreign re-insurers' share	79,856	13,936
Net Written Premiums	208,712	27,312
<u>Add:</u> Beginning of the period		
Mathenatical reserve	192,178	156,927
<u>Less:</u> Re-insurers' share	99,703	59,788
Net Mathematical Reserve	92,475	97,139
<u>Less:</u> End of the period		
Mathenatical reserve	398,545	171,828
Re-insurers' share	253,721	85,221
Net Mathematical Reserve	144,824	86,607
Net Revenue Earned from Written Premiums	156,363	37,844

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DELTA INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN  
CONDENSED INTERIM STATEMENT OF PAID CLAIMS COST  
FOR THE LIFE INSURANCE ACTIVITIES  
(REVIEWED NOT AUDITED)

	For the Six-Month Period	
	Ended June 30,	
	2018	2017
	JD	JD
Paid claims		
<u>Less:</u>	-	6,666
Foreign re-insurers' share	-	5,333
Net Paid Claims	-	1,333
Add: Outstanding claims reserve - end of the period		
Reported	45,234	38,739
Unreported	5,000	5,000
Less: Re-insurers' share	37,938	30,992
Net outstanding claims reserve - end of the period	12,296	12,747
Less: Outstanding claims reserve - beginning of the period		
Reported	31,884	33,454
Unreported	5,000	5,000
<u>Less: Re-insurers' share</u>	26,049	26,763
Net outstanding claims reserve - beginning of the period	10,835	11,691
Net Paid Claims Cost	1,461	2,389

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DELTA INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN  
CONDENSED INTERIM STATEMENT OF  
UNDERWRITING PROFIT (LOSS) FOR THE LIFE INSURANCE ACTIVITIES  
(REVIEWED NOT AUDITED)

	For the Six-Month Period Ended June 30,	
	2018	2017
	JD	JD
Net earned revenue from written premiums	156,363	37,844
<u>Less:</u> Net paid claims cost	<u>1,461</u>	<u>2,389</u>
	154,902	35,455
<u>Add:</u> Commissions received	22	2
Insurance policies issuance fees	3,366	2,044
Investment revenue related to underwriting accounts	<u>13,956</u>	<u>10,142</u>
Total Revenues	17,344	12,188
<u>Less:</u> Commissions paid	<u>28,352</u>	<u>2,407</u>
Administrative expenses related to direct underwriting accounts	151,930	-
Administrative expenses related to underwriting accounts	<u>33,541</u>	<u>5,883</u>
Total Expenses	<u>213,823</u>	<u>8,290</u>
Net Underwriting Profit	<u>(41,577)</u>	<u>39,353</u>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF  
 THESE FINANCIAL CONDENSED INTERIM STATEMENTS AND SHOULD BE READ WITH THEM  
 AND WITH THE REVIEW REPORT.

DELTA INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN - JORDAN  
CONDENSED INTERIM STATEMENT OF FINANCIAL  
POSITION FOR THE LIFE INSURANCE ACTIVITIES

	June 30, 2018 (Reviewed not Audited)	December 31, 2017
<u>ASSETS</u>	JD	JD
Deposits at banks	498,939	498,599
	<u>498,939</u>	<u>498,599</u>
Cash on hand and balances at banks	128,793	39,114
Cheques under collection	6,527	1,854
Accounts receivable	187,970	91,211
Other assets	6,692	6,082
Total Assets	<u>828,921</u>	<u>636,860</u>
<u>LIABILITIES AND HEAD OFFICE'S EQUITY</u>		
<u>LIABILITIES</u>		
Accounts payable	8,560	5,048
Re-insurers' payables	79,708	17,564
Other liabilities	5,770	5,756
<u>TECHNICAL RESERVES</u>		
Net mathematical reserve	144,824	92,475
Net unreported outstanding claims reserve	12,296	10,835
Total technical reserves	<u>157,120</u>	<u>103,310</u>
TOTAL LIABILITIES	<u>251,158</u>	<u>131,678</u>
<u>HEAD OFFICE'S EQUITY</u>		
Head Office current account	619,340	514,056
Net underwriting (loss)	(41,577)	(8,874)
Total Head Office's Equity	<u>577,763</u>	<u>505,182</u>
TOTAL LIABILITIES AND HEAD OFFICE'S EQUITY	<u>828,921</u>	<u>636,860</u>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF  
 THESE FINANCIAL CONDENSED INTERIM STATEMENTS AND SHOULD BE READ WITH THEM  
 AND WITH THE REVIEW REPORT.



DELTA INSURANCE COMPANY  
(A PUBLIC SHAREHOLDING LIMITED COMPANY)  
AMMAN – JORDAN  
NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS  
(Reviewed not Audited)

1. General

- a. Delta insurance company was registered during the year 1976 as a Jordanian Public Shareholding Limited Company in accordance to the companies law No. (22) for the year 1997 with a registration number of (109) with a paid-up authorised capital of JD 200,000 divided into 200,000 shares at par value of one Jordanian Dinar per share. The Company's capital increased gradually to becomes JD 8,000,000 divided into 8,000,000 shares at par value of one Jordanian Dinar per share.
- b. The Company is located in Amman – Jordan, Jabal Amman, third circle, P.O. Box 3055 Amman – 11181 Jordan.
- c. The Company's main activity is engaging in all insurance business streams, including vehicles, marine, fire and other damages, liability, medical, credit, other insurance stream and life insurance sector.
- d. The condensed interim financial statements for the period ended June 30, were approved by the Board of Directors in their meeting held on July 30, 2018.

2. Basis of preparation of financial statements

Basis of preparation of the Condensed Interim Financial Statements

- The condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting", and in accordance to the local laws and regulations in force, as well as the form prescribed by the Insurance management.
- The interim financial statements have been prepared according to the historical cost convention except for the financial assets and liabilities that appear at fair value at the date of the condensed interim financial statements.
- The Jordanian Dinar is the functional and reporting currency of the financial statements.
- The condensed interim financial statements do not include all the information and disclosures required for the annual financial statements. In addition, the results of the Company's operations for the six-month period ended on June 30, 2018 do not necessarily represent an indication of the expected results for the year ending December 31, 2018.
- The Company did not deduct any statutory reserves for the profit of the six-month period ended June 30, 2018 in accordance with the Companies Laws and the Regulations issued, as these financial statements are interim statements and the deductions are made at the end of the fiscal year.

Change in accounting estimates

- The accounting policies adopted in preparing the condensed interim financial statements are consistent with those applied in the year ended December 31, 2017 except for the effect of the adoption of the new and revised standards which are applied on or after the first of December 31, 2017 as follow:

a. Amendments with no material effect on the condensed interim financial statements of the company:

- **Annual Improvements to IFRS Standards 2014 – 2016** The improvements include the amendments on IFRS 1 and IAS 28 and they are effective for annual periods beginning on or after January 1, 2018.



- **Amendments to IFRS 2 "Share Based Payment"**

The amendments are related to classification and measurement of share based payment transactions and they are effective for annual periods beginning on or after January 1, 2018.

- **Amendments to IFRS 4 "Insurance Contracts"**

The amendments relates to the different effective dates of IFRS 9 and the forthcoming new insurance contracts standard and they are effective for annual periods beginning on or after January 1, 2018.

- **IFRIC 22 – Board of International Financial Reporting Standards Interpretations - Foreign Currency Transactions and Advanced Consideration**

IFRIC 22 addresses how to determine the date of transaction for the purpose of determining the exchange rate to use on initial recognition of an asset, expense or income (or part of it) or on de-recognition of a non-monetary asset or liability arising from advance considerations.

The interpretation specifies that the date of transaction is the date on which the entity initially recognizes the non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration.

- **Amendments to IAS 40 - Investment Property**

These amendments illustrates when the entity shall transfer (reclass) a property including investments under process or development to, or from, investment property.

- **IFRS 15 "Revenue from Contracts with Customers"**

In May 2014, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 "Revenue", IAS 11 "Construction Contracts" and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

Step 1: Identify the contract(s) with a customer.

Step 2: Identify the performance obligations in the contract.

Step 3: Determine the transaction price.

Step 4: Allocate the transaction price to the performance obligations in the contract.

Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

IFRS 15 may be adopted retrospectively, by restating comparatives and adjusting retained earnings at the beginning of the earliest comparative period. – Alternatively, IFRS 15 may be adopted as of the application date on January 1, 2018, by adjusting retained earnings at the beginning of the first reporting year (the cumulative effect approach).



- **Amendments to IFRS 15 Revenue from Contracts with Customers**

The amendments are to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.

- **Amendments to IFRS 7 Financial Instruments: Disclosures**

The amendments are related to disclosures about the initial application of IFRS 9. The amendments are effective when IFRS (9) is first applied.

- **IFRS 7 Financial Instruments: Disclosures**

The amendments are related to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9. The Amendments are effective when IFRS 9 is first applied.

**B. Amendments effective on the condensed interim financial statements of the Company**

**IFRS 9 Financial Instruments**

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. And a new version of the new standard includes the requirements of **recognition, measurement, impairment and hedge accounting**.

The final version of IFRS 9 relating to financial instruments was replaced which relates to the credit loss model incurred in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*, replacing a model for expected credit losses. The Standard includes a business model for debt instruments, loans, financial liabilities, financial guarantee contracts, deposits and receivables, but does not apply to equity instruments.

The Company calculated the initial impact of the International financial reporting standard (IFRS 9), as it is not material, it's impact has not been reversed to the opening balances in the accompanying condensed interim financial statements. However, the effect will be recalculated during the year 2018.

The Company applied IFRS 9 to be placed instead of IAS 39. Moreover, the company measured the impact of the new standard implementation on the Opening balances and the impact is not material and does not require the adjustment of the comparative figures. The Company has also studied the impact of applying the new standard on the period ended June 30, 2018 and no material impact was noticed.

In case there is a low credit risk to the financial asset at the date of initial application of IFRS (9), the credit risk relating to the financial asset is considered to have not been changed substantially since its initial recognition.



In accordance with IFRS 9 Financial Instruments the expected credit losses are recognized at an early date in accordance with IAS 39.

The revised version of IFRS 9 (2014) (Financial Instruments) includes a classification mechanism for financial assets and liabilities. IFRS 9 requires all financial assets to be classified based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

There is no material difference in the classification of financial assets and liabilities arising from the adoption of IFRS 9 for the year 2014.

### 3. Use of Estimates

Preparation of the financial statements and application of the accounting policies require the Company's management to perform assessments and assumptions that affect the amounts of financial assets and financial liabilities and to disclose all contingent liabilities. Moreover, these assessments and assumptions affect revenues, expenses, and provisions. In particular, this requires the Company's management to issue significant judgments and assumptions to assess future cash flow amounts and their timing. Moreover, the mentioned assessments are necessarily based on assumptions and factors with varying degrees of consideration and uncertainty. In addition, actual results may differ from assessments due to the changes resulting from the conditions and circumstances of those assessments in the future.

We believe that the estimates adopted in the condensed interim financial statements are reasonable and are consistent with the estimates adopted in the financial statements for the year ended December 31, 2017, except estimates which used to calculate the impact of the International Financial Reporting Standard No. (9) relating to financial instruments where the expected credit loss being calculated using the simplified approach.

### 4. Deposits at Banks

This item consists of the following:

	June 30, 2018			December 31, 2017
	Deposits Maturing within one Month	Deposits Maturing after One to Three Months	Deposits Maturing after Three Months to a year	Total
	JD	JD	JD	JD
Inside Jordan:				
Capital Bank of Jordan	325,000	-	2,225,000	2,550,000
BLOM Bank	-	-	2,334,503	2,334,045
Societe Generale Bank	199,607	1,975,871	-	2,175,478
Al Etihad Bank for Saving and Investments	2,754,753	-	-	2,754,753
	<u>3,279,360</u>	<u>1,975,871</u>	<u>4,559,503</u>	<u>9,814,734</u>
				<u>9,652,275</u>

- Interest rates on deposits in Jordanian Dinar ranged from 4.75%% to 6% during the period ended June 30, 2018.
- Deposits collateralized to the order of the Director of the Insurance management, in addition to his position, amounted to JD 325,000 as of June 30, 2018 and December 31, 2017 and are held at Capital Bank of Jordan.
- This amount within deposits that matured during one month amounting to JD 199,607 represents cash collaterals against credit insurance.



5. Financial Assets at Fair Value through Other Comprehensive Income

This item consists of financial assets through other comprehensive income as follows:

	June 30, 2018	December 31, 2017
<u>Inside Jordan</u>	JD	JD
Listed shares	321,025	276,680
	<u>321,025</u>	<u>276,680</u>
<u>Outside Jordan</u>		
Listed shares	295,045	230,091
Investment Fund*	300,949	266,526
	<u>595,994</u>	<u>496,617</u>
	<u>917,019</u>	<u>773,297</u>

- \* This item represents the net amount of the investment fund which is managed by Gulf Capital which was established in the Cayman Islands. The Company signed an agreement during the year 2015 with Gulf Capital to invest in one of its funds in an amount of USD 1,400,000 million which is equivalent to JD 994,000. The amount JD 300,949 represents the cost of the investment at the date of the condensed interim financial statements which is approximate to the fair value based on the most recent financial information available from the management of the investment fund, and we believe that there is no impairment in its value.

6. Financial Assets at Amortized Cost

This item consists of financial assets at amortized cost as follows:

	June 30, 2018	December 31, 2017
<u>Inside Jordan</u>	JD	JD
Capital Bank of Jordan bonds*	781,000	781,000
The Hashemite kingdom of Jordan government Treasury Bonds**	1,275,152	1,275,152
AIHO bonds***	1,000,000	1,000,000
Jordan Ahli Bank Bonds****	500,000	500,000
	<u>3,556,152</u>	<u>3,556,152</u>

- \* The Capital Bank of Jordan Bonds mature on March 1, 2020 and are in U.S dollar with a fixed return rate of 6.85%, and are paid on two instalments; on March 1<sup>st</sup> and September 1<sup>st</sup> during the bond life, and are listed on the Amman Stock Exchange issued in the US Dollar.

- \*\* The Jordanian government treasury bonds are U.S dollar bonds with a fixed return of 6.125% that mature on January 29, 2026 amount to JD 751,180, and are paid on two instalments; on January 29, and July 29, during the life of the Bond and Bonds with the amount of JD 523,972, maturing on January 31, 2027. These are quoted in U.S Dollar with a fixed return rate of 5.75%, and are paid on two instalments; on January 31 and July 31 during the life of the bond.

- \*\*\* The Arab International Hotels bonds are with a fixed return of 5.5% that mature on January 29, 2022, and are paid on two instalments; on January 29, and July 29, during the life of the Bond and are listed on the Amman Stock Exchange and are in Jordanian Dinar.

\*\*\*\*Jordan Ahli Bank Bonds mature on October 12, 2023 and are in U.S dollar with a fixed return rate of 7.25%, and are paid on two instalments; on October 12 and April 12 during the bond life, and are listed on the Amman Stock Exchange and are in Jordanian Dinar.

#### 7. Investment Property

This item represents the cost of a plot of land that was bought during the years 2011, for JD 1,340,863 in addition to the cost of plot of land that was bought during the year 2017 for JD 1,282,940. The plots were evaluated during the year 2018 by three certified appraisers in accordance to the laws and regulations of the Insurance management (previously insurance committee), and their average estimate market value amounted to JD 1,431,629 and JD 1,367,330 respectively.

#### 8. Receivables - Net

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Policyholders receivable	2,253,763	1,789,791
Agents receivable	227,892	674,733
Employees receivable	8,176	8,639
Other receivable	53,728	33,578
	<u>2,543,569</u>	<u>2,506,741</u>
<u>Less: Provision for doubtful debts*</u>	<u>(82,017)</u>	<u>(82,017)</u>
Receivables - Net	<u>2,461,552</u>	<u>2,424,724</u>

The ageing of receivables is as follows:

	June 30, 2018	December 31, 2017
	JD	JD
Less than 90 days	1,474,841	1,912,318
From 91 to 180 days	633,942	217,193
From 181 to 360 days	350,753	296,838
More than 360 days	84,033	80,392
	<u>2,543,569</u>	<u>2,506,741</u>

A provision for doubtful debts is taken for the debts which has past due more than a year and there is no repayment and according to the management estimates.

\* No movement occurred on provision for doubtful debts for the period ended June 30, 2018.

#### 9. Re-insurers' Receivables - Net

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Local insurance companies	172,078	257,443
Foreign re-insurance companies	260,495	227,272
	<u>432,573</u>	<u>484,715</u>
<u>Less: Provision for doubtful debts*</u>	<u>(43,681)</u>	<u>(43,681)</u>
	<u>388,892</u>	<u>441,034</u>



\* The movement on the provision for impairment in reinsures receivable as follow:

	For the Six- Month Ended June 30, 2018	For the Year Ended December 31, 2017
	JD	JD
Balance - beginning of the period / year	43,681	43,681
Balance - End of the Period / Year	43,681	43,681

10. Property and Equipment - net

Additions to property and equipment amounted to JD 11,587. Moreover, there is no material disposals during the period.

11. Other Assets

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Prepaid expenses	54,834	22,043
Refundable deposits	2,542	2,543
Accrued revenues	200,704	299,488
Income Tax withholding (Note 14)	49,456	31,146
	307,536	355,220

12. Payables

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Agents payables	529,312	691,083
Garages and parts payables	46,637	122,094
Policyholders payables	326,674	314,094
Employee and other payables	7,605	2,778
	910,228	1,130,049

13. Re-insurers' Payables

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Local insurance companies	345,703	390,511
Foreign re-insurance companies	767,436	566,312
	1,113,139	956,823

14. Income Tax

a. Income tax provision

- Movement on the income tax provision was as follows:

	June 30, 2018	December 31, 2017
	JD	JD
Balance at the beginning of the period/year	-	88,709
Income tax paid	-	(88,602)
Prepaid income tax	(49,456)	(26,897)
Income tax expense from prior years	-	(4,356)
Transferred to withholding Income Tax (Note 11)	49,456	31,146
Balance at the End of the Period / Year	-	-

- Summary of income tax in the condensed interim statement of income is as follows:

	For the Six-Month Period Ended June 30,	
	2018	2017
	JD	JD
Amortization of Deferred tax assets	(5,815)	-
Deferred tax for the period	-	901
	<u>(5,815)</u>	<u>901</u>

- The Company reached a final settlement with the Income and Sales Tax Department up to the end of the year 2015, and has submitted its income tax returns for the year 2016 and 2017, however, the tax returns have not been reviewed yet by the Income and Sales Tax Department.
- The income tax provision for the period ended June 30, is sufficient to meet the tax obligation for the mentioned period.
- Income tax provision has been booked in accordance with the prevailing Income Tax Law number (34) for the year 2014 in Jordan.

**B. Deferred Tax Assets:**

The details are as follows:

Included Accounts Deferred Tax Assets	For the Six-Month Period Ended June 30, 2018				December 31, 2017	
	Balance at the Beginning of the Period	Amounts Released	Amounts Booked	Balance at the End of the Period	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
Provision for doubtful debts	125,698	-	-	125,698	30,168	30,168
End of service indemnity provision	312,160	22,345	7,909	297,725	71,454	74,918
Incurred but not reported reserve	<u>1,026,447</u>	<u>9,796</u>	<u>-</u>	<u>1,016,651</u>	<u>243,996</u>	<u>246,347</u>
	<u>1,464,305</u>	<u>32,141</u>	<u>7,909</u>	<u>1,440,074</u>	<u>345,618</u>	<u>351,433</u>

- According to the prevailing Income Tax Law number (34) for the year 2014 in Jordan. An effective tax rate of 24% has been used to calculate the deferred taxes as of June 30, 2018 and December 31, 2017.
- In the opinion of the Company's management and its tax advisor, the booked provisions are sufficient to cover any potential tax liabilities that may arise.

**15. Other Liabilities**

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Accrued expenses	43,373	43,165
Unearned Premiums	1,002,046	590,888
Re-insurers' deposits	694,378	688,598
Others	<u>108,131</u>	<u>162,349</u>
	<u>1,847,928</u>	<u>1,485,000</u>



#### 16. Earnings per Share (loss) profit for the Period

Earnings per share (loss) profit are computed by dividing the profit for the period by the average number of outstanding shares during the period; the details are as follows:

	For the Three Month Period Ended June 30,		For the Six-Month Period Ended June 30,	
	2018	2017	2018	2017
	JD	JD	JD	JD
Net (loss) profit for the period	(105,229)	181,065	(92,092)	28,086
Average number of outstanding shares	8,000,000	8,000,000	8,000,000	8,000,000
Basic and diluted (loss) / earnings per share for the period – Jordanian Dinar	<u>(0/013)</u>	<u>0/023</u>	<u>(0/012)</u>	<u>0/004</u>

#### 17. Cash and Cash Equivalent

The details of this item are as follows:

	June 30,	
	2018	2017
	JD	JD
Deposits at banks maturing within three months	5,255,231	2,081,435
Cash on hand and balances at banks	126,156	600,555
Less: Collateralized deposits to the order of the General Director of the Insurance management	<u>(325,000)</u>	<u>(325,000)</u>
	<u>5,056,387</u>	<u>2,356,990</u>

#### 18. Transactions with Related Parties

The Company engaged in transactions with the major shareholders, members of the Board of Directors and the executive management within the course of its normal activities, all related parties accounts are operating and no provisions were taken.

Below is a summary of transactions with related parties during the period / year:

	June 30, 2018	December 31, 2017
<u>Statement of Financial Positions items:</u>	JD	JD
Accounts receivable	335,797	632,205
Accounts payable	25,471	63,736

	For the Six-month Period Ended June 30,	
	2018	2017
<u>Statement of Income Items:</u>	JD	JD
Underwriting premium revenues	390,315	359,474
Paid claims	88,073	61,143

Below is a summary of the top managements benefits (Salaries, bonuses, and other benefits):

	For the Six month Period Ended June 30,	
	2018	2017
<u>Item</u>	JD	JD
Other salaries and bonuses	<u>411,348</u>	<u>353,384</u>

#### 19. Information on Geographical Distribution

The following is the distribution of the Company's assets and Liabilities according to geographical sector:

	June 30, 2018		December 31, 2017	
	Assets	Liabilities and Owners' Equity	Assets	Liabilities and Owners' Equity
	JD	JD	JD	JD
Inside Jordan	22,597,443	22,104,012	22,862,932	22,463,721
Outside Jordan	1,091,993	1,585,424	1,398,593	1,797,804
Total	<u>23,689,436</u>	<u>23,689,436</u>	<u>24,261,525</u>	<u>24,261,525</u>

The following is the distribution of the Company's assets and Liabilities according to geographical sector:

	June 30, 2018		December 31, 2017	
	Assets	Liabilities	Assets	Liabilities
Sector	JD	JD	JD	JD
Private sector	2,461,552	614,551	2,424,724	1,130,049
Total	<u>2,461,552</u>	<u>614,551</u>	<u>2,424,724</u>	<u>1,130,049</u>

#### 20. Lawsuits against the Company

There are lawsuits against the Company claiming compensation on various accidents and the lawsuits at courts with determined amounts which amounted to JD 455,737 as of June 30, 2018 (JD 2,048,347 as of December 31, 2017). In the opinion of the Company's management and its lawyers, the lawsuits provision in the condensed interim statement of financial position could bear any litigations.

#### 21. Contingent Liabilities

- As of the date of the condensed interim statement of financial position, the Company was contingently liable for bank guarantees with an amount of JD 3,150.
- There are contingent liabilities for an investment in Gulf Capital Investment Funds that amounted to JD 632,991 which represents the difference between Company's share of the fund and the actual invested amount.

## 22.. Fair Value Hierarchy

A. Fair value of financial assets and financial liabilities that are measured at fair value on a recurring basis.

Some of the financial assets and financial liabilities are measured at fair value at the end of each reporting period, The following table gives information about how the fair value of these financial assets and financial liabilities are determined (valuation techniques and key inputs).

Financial Assets/Financial Liabilities	Fair Value		Fair Value Hierarchy	Valuation Techniques and Key Inputs	Significant Unobservable Inputs to Fair Value	Relationship of Unobservable Inputs to Fair Value
	June 30, 2018	December 31, 2017				
	JD	JD				
Financial assets at fair value:						
Financial assets at fair value through other comprehensive Income						
Shares with available market values - inside and outside Jordan	616,070	506,771	level 1	Declared Prices in the financial market	Not Applicable	Not Applicable
Investment Fund-outside Jordan	300,949	266,526	Not Determined	Not determined	Not Applicable	Not Applicable
	<u>917,019</u>	<u>773,297</u>				

There were no transfers between level 1 and level 2 during the period.

B. Fair value of financial assets and financial liabilities that are not measured at fair value on a recurring basis

Except to what is mentioned in the table below, we believe that the carrying amounts of the financial assets booked in the Company's interim financial statements approximate their fair values. The Company's management believes that book value are approximately their fair value due to either their short term maturity or that their interest rates are repriced during the year.

	June 30, 2018		December 31, 2017		Fair Value Hierarchy
	Book Value	Fair Value	Book Value	Fair Value	
Financial assets not designated at fair value					
Deposits at banks	9,814,734	9,987,225	9,652,275	9,871,027	Level 2
Investment property	2,623,803	2,798,959	2,623,803	2,798,959	Level 2
Financial assets at amortized cost	3,556,152	3,636,163	3,556,152	3,636,888	Level 2
Total Financial assets with no designated fair value	<u>15,994,689</u>	<u>16,422,347</u>	<u>15,832,230</u>	<u>16,306,874</u>	

For the above mentioned items, the fair values of the financial assets have been determined for level 2 in accordance with the generally accepted pricing models based reflects the credit risk of counterparties.